

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 92-497-C - ORDER NO. 93-82  
JANUARY 21, 1993

IN RE: Application of Pennsylvania Alternative	)	ORDER
Communications, Inc. for a Certificate	)	APPROVING
of Public Convenience and Necessity to	)	CERTIFICATE
Operate as a Reseller of Interexchange	)	
Telecommunications Services within the	)	
State of South Carolina.	)	

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Pennsylvania Alternative Communications, Inc. (Pace or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. Pace's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1991) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Pace to publish a prepared Notice of Filing in newspapers of general circulation in the affected areas one time. The purpose of the Notice of Filing was to inform interested parties of Pace's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. Pace complied with this instruction and provided the Commission with

proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone and Telegraph Company (Southern Bell) and the South Carolina Department of Consumer Affairs (the Consumer Advocate).

A hearing was commenced on January 12, 1993 at 11:00 a.m., in the Commission's Hearing Room. The Honorable Henry G. Yonce, Chairman, presided. Arthur G. Fusco, Esquire, and Glenn S. Richards, Esquire, represented Pace; Caroline N. Watson, Esquire, represented Southern Bell; Carl F. McIntosh, Esquire, represented the Consumer Advocate; and Marsha A. Ward, General Counsel, represented the Commission Staff.

At the beginning of the hearing Southern Bell announced that it had entered into a Stipulation with Pace. Hearing Exhibit #1. The terms of the Stipulation are as follows:

- (1) Any grant of authority should clearly be for interLATA services only.
- (2) If any intraLATA calls are "inadvertently" completed by the carrier, the carrier should reimburse the LEC or have the LEC reimbursed pursuant to the Commission's Order in PSC Docket No. 86-187-C. The definition of such inadvertent completion is contained in such Order.
- (3) All operator services should be only for interLATA calls and any "0+" or "0-" intraLATA calls should be handed off to the LEC.
- (4) Nothing in 1, 2, or 3 above shall prohibit Pennsylvania Alternative Communications, Inc. from offering any services authorized for resale by tariffs of facility based carriers approved by the Commission.
- (5) Nothing in this Stipulation would prevent the Applicant from requesting intraLATA authority from the Commission in the event that the Commission determines that intraLATA competition is in the

public interest.

After introducing the Stipulation into evidence as Hearing Exhibit #1, Southern Bell withdrew from further participation in the proceeding.

Pace presented the testimony of David J. Malfara, Sr. in support of its Application. Mr. Malfara explained Pace's request for certification to operate as a reseller of interexchange telecommunications services in South Carolina. Mr. Malfara explained that Pace wishes to resell the services of Allnet in South Carolina to residential and business customers. The service will be marketed by independent agents. Mr. Malfara stated that Pace will be responsible for billing, trouble reporting, and customer services. Mr. Malfara outlined Pace's financial qualifications, background, and technical capabilities. Pace owns a switch in Pennsylvania but has no facilities in South Carolina. Pace will provide operator services to its customers through an agreement with Allnet.

After full consideration of the applicable law and of the evidence presented by Pace, the Consumer Advocate, Southern Bell, and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law:

**FINDINGS OF FACT**

1. Pace is incorporated under the laws of the State of Pennsylvania, and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. Pace operates in South Carolina as a non-facilities based reseller of interexchange services and wishes to do so on an interLATA basis in South Carolina.

3. Pace has the experience, capability, and financial resources to provide the services as described in its Application.

4. Southern Bell and other local exchange carriers (LECs) should be compensated for any unauthorized intraLATA calls completed through Pace's service arrangements.

5. Pace agreed to amend certain tariff provisions consistent with the Commission's Regulations.

#### CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Pace to provide intrastate, interLATA service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Services (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Pace for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984). The Commission

recognizes Pace's proposed price list and expects a maximum rate tariff to be filed within 30 days of the date of this Order.

3. Pace shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Pace shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of Pace's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1991).

4. Pace shall file its tariff and an accompanying price list to reflect the Commission's findings within thirty (30) days of the date of this Order.

5. Pace is subject to access charges pursuant to Commission Order No. 96-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to Pace's resale of service, an end user should be able to access another interexchange carrier or operator service provider if they so desire.

7. Pace shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Pace changes underlying carriers, it shall notify the Commission in writing.

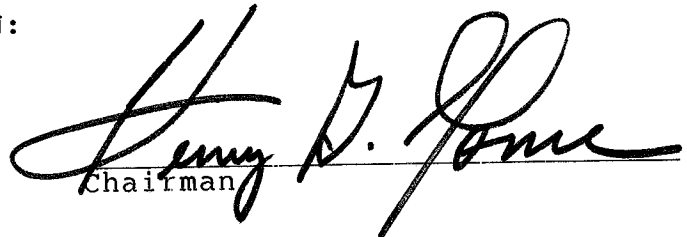
8. All intrastate intraLATA calls must be completed over intraLATA WATS, MTS, private and foreign exchange lines or any other service of authorized intraLATA facilities based carriers approved for resale on an intraLATA basis. Any intraLATA calls not completed in this manner will be considered unauthorized traffic and the Company will be required to compensate the local exchange companies for the unauthorized calls it carries pursuant to Commission Order No. 86-793 in Docket No. 86-187-C.

9. Pace shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

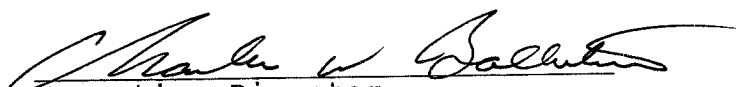
10. Pace shall file modifications to its tariffs reflecting appropriate changes relating to customer deposits consistent with R.103-621 within thirty (30) days of the date of this Order.

11. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)